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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
7 April 1975

INTELLIGENCE MEMORANDUM

The Situation in Indochina
(As of 1600 EDST)
No. 5

VIETNAM

Action in the Delta

1. Most of the military action remains in the delta. The communists began their assault on the Moc Hoa front early today with a mixed barrage of some 1,000 rocket, artillery, and mortar rounds against a government position less than eight miles northeast of the provincial capital.

2. Communist-initiated activity is also growing in other parts of the delta, particularly in Dinh Tuong Province where there were a number of shellings and a dozen ground attacks yesterday. Communist sappers also struck a military base in My Tho City, capital of Dinh Trong. The North Vietnamese 4th Division is maintaining pressure against the Can Tho City defenses, but no appreciable gains have been scored by either side. The communists have also stepped up sabotage operations against the major delta highways, but thus far without much success.

Saigon Oil Depot Shelled

3. The communist shelling of the Nha Be fuel storage area south of Saigon this morning caused no major damage. Five South Vietnamese were wounded in the attack, which included several 122-mm. rockets and about 50 mortar rounds, many of which fell short and landed in the river. This fuel storage facility has long been a favorite target of communist gunners, who usually fire their weapons from the

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swamplands across the river. The depot was severely damaged in December 1973. Other favorite targets likely to be shelled on the outskirts of Saigon include a large communications complex and Tan Son Nhut Airport. Such attacks are relatively inexpensive and could do much to further unsettle the population of the city.

Government Situation in MR-2

4. The MR-3 commander Lt. Gen. Toan, who is now responsible for the few remaining government enclaves in MR-2, made a trip to these areas over the weekend and has taken a number of steps to shore up the government's position there. His first move was to set up a forward command headquarters at Phan Rang in Ninh Thuan Province under the command of Lt. Gen. Nguyen Vinh Nghi, the present commander of the Tu Duc Officers Academy. Nghi will command the Airborne battalion sent there last weekend, and he will shortly have a regrouped regiment from the 2nd Division. General Toan found that most of the government's territorial forces are still in place around the Phan Rang area.

5. Toan is checking the situation north of Phan Rang and may consider moving forces there if he can complete his reorganization of MR-2 forces rapidly enough, and if the communists do not move in first. Some government naval units have moved into the Nha Trang area and are reported to be holding positions at the port and at the airfield.

Government Forces Regrouping

6. The government continues to reassemble its shattered forces from MRs 1 and 2. The MR-3 commander claims he is satisfied that all returning government units and stragglers who have come to Binh Tuy Province by boat or road are under control and that progress is being made reorganizing them into usable military units.

7. In addition to the Marines and 2nd Division troops that are regrouping, over 7,000 officers and men of the South Vietnamese 22nd Division -- perhaps a half of that units' former strength -- have reached Vung Tau. It is expected that

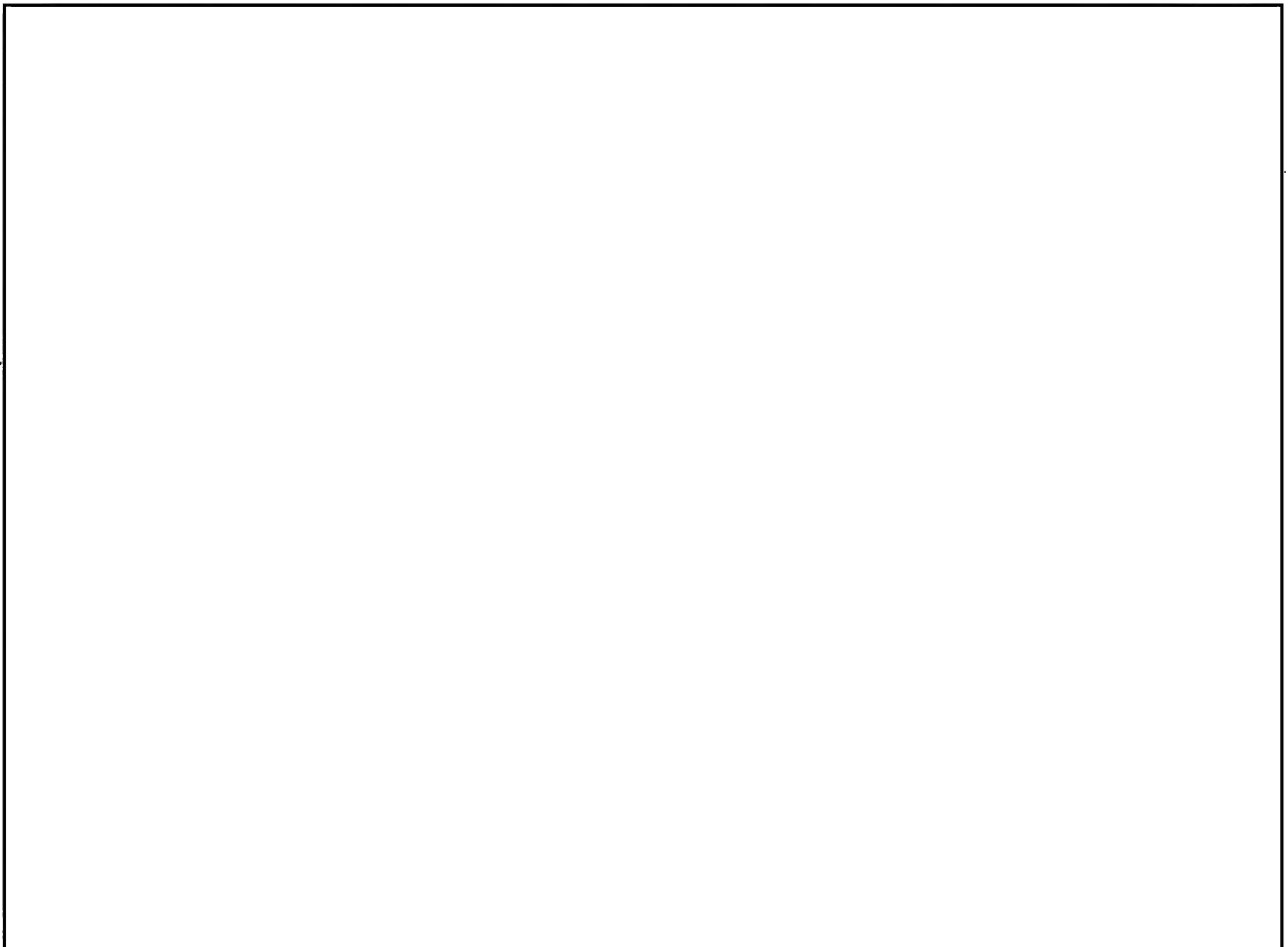
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these troops will be the basis for a newly organized 22nd Division. Progress has been also made in reorganizing the 2nd Division and one regiment is scheduled to be sent to Phan Rang tomorrow.

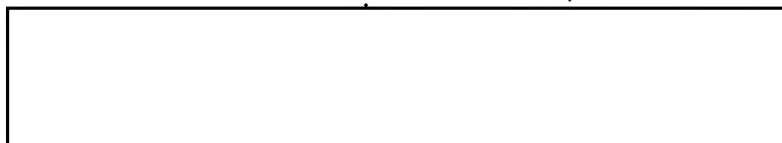
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The Political Situation

11. A consensus is emerging among a number of Vietnamese officials that President Thieu has both the support and the

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political savvy to fend off demands that he step down. Former Prime Minister Khiem revealed in a recent conversation that he sees no Vietnamese influence strong enough to persuade Thieu to step aside or force his resignation; lesser officials also have begun to concur with his assessment. This apparent attitude of resignation has not lessened the dissatisfaction with Thieu's recent decisions and probably will do little to temper criticism of him personally. But it is likely to lead to grudging acceptance of Thieu's continuation in office for at least the next few weeks.

12. Khiem revealed in his conversation Friday that his resignation was motivated by two basic reasons: he wanted to give the president maximum flexibility in establishing a new government, and basic differences between himself and the president had grown too great for him to continue serving as a close advisor. He maintained that he had no future plans to serve the government in either a civilian or military capacity. He would not, however, support any attempt to forcibly remove Thieu from office but would work hard to discourage "such adventurism" within and outside the military.

13. In another conversation Friday with roving ambassador Tran Van Don, Thieu said that he had no intentions of stepping down. Thieu told Don that Khiem had to be removed since in his role as Minister of Defense, Khiem had the "ultimate responsibility" for the "sad performance" of the armed forces in military regions 1 and 2. The president revealed that he wants the new cabinet to be organized into four separate "blocks": for military affairs, refugee assistance, economic affairs, and political action. Thieu implied that he would only provide overall guidance and would leave day-to-day decisions to his ministers. According to presidential special assistant for military affairs General Quang, Thieu would delegate responsibility for operational control of the military to Joint General Staff Chief Vien, who in turn would coordinate his decisions with the minister of defense and the various corps commanders. Quang seemed to feel that on paper such an arrangement had merit, but given Vien's personality, he would probably eventually leave the important decisions to Thieu.

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CAMBODIA

The Tactical Situation

14. Khmer Communist ground attacks last night forced further government withdrawals from north of Pochentong airport. The Communists have not moved in force to exploit the new gaps in government defenses during daylight hours today but some insurgent elements are reportedly within three miles of the airport. Defense attaches visited this front today and reported that government commanders are doing very little to improve the situation and that some commanders have expressed the belief that "the end is near." Over 30 rockets and artillery rounds landed near the airfield today damaging two aircraft and setting a small ammunition dump on fire. Government troops on the Mekong River northeast of the capital report that Communist troops are crossing the river and may soon begin pushing south toward the main navy headquarters.

15. Elsewhere, sporadic shellings and skirmishing occurred along Route 1 some 15 miles southeast of Phnom Penh today. Government reinforcements are being moved into the area in anticipation of a major ground push by Communist units moving up the highway from the Neak Luong-Banam area.

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16. The southwestern provincial capital of Kompong Speu and the southeastern provincial capital of Prey Veng are seriously threatened. The army high command stripped Kompong Speu of its best units several weeks ago to provide more reinforcements for the Phnom Penh area, and the Communists have been making steady gains against the territorial units left to defend the town. Some fighting occurred near Kompong Speu's central market yesterday but the local commander claimed that the situation had improved somewhat today. At Prey Veng, government units early today abandoned

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several positions on the town's outer perimeter and preliminary reports indicate that Communist troops have penetrated to the town's outskirts.

17. The situation in the countryside could begin unraveling with little warning in the near future. Although several provincial commanders have claimed that their troops would continue fighting even if Phnom Penh falls, airdrops to all isolated enclaves will have halted by April 17 when parachutes and pallets are exhausted.

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